



# CITY OF LODI

## COUNCIL COMMUNICATION

AGENDA TITLE: Investment Account Disclosure

MEETING DATE: February 3, 1999

PREPARED BY: Deputy Treasurer

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RECOMMENDED ACTION:

That the City Council by motion/action accept the quarterly report of the City of Lodi pooled money investment account as required by SB564.

BACKGROUND INFORMATION:

The investment report is currently included in the monthly executive report distributed to Council.

SB564 required local agency treasurers to submit a report on investments at a public meeting. The City of

Lodi has an investment policy, which is submitted to council for approval on an annual basis. Copies of the policy are available in the Finance Department. In addition to the quarterly report on investments in the City of Lodi pooled money investment account, a breakdown Treasury Inventory by type has been included in a chart format. Also included is the most current report of the Local Agency Summary of Investment Data and the State of California pooled money investment account market valuation.

The City of Lodi maintains membership in the California Municipal Treasurers Association and conforms to guide lines set forth by the CMTA investment report committee. The Finance Department will continue to include the investment report monthly as part of the executive report.

FUNDING: None.

Vicky McAthie  
Finance Director/Treasurer

APPROVED:

H. Dixon Flynn City Manager

**City of Lodi  
Portfolio Management  
Portfolio Summary  
December 31, 1998**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Average Term	Average Days to Maturity	Yield to Maturity 360 Equivalent	Yield to Maturity 365 Equivalent
Local Agency Investment Funds	19,800,000.00	19,800,000.00	19,800,000.00	65.80	1	1	5.417	5.492
Certificates of Deposit - Bank	1,200,000.00	1,200,000.00	1,200,000.00	3.99	352	305	4.286	4.345
Passbook/Checking Accounts	4,591,878.50	4,591,878.50	4,591,878.50	15.26	1	1	0.947	0.960
Federal Agency Issues - Coupon	4,500,000.00	4,503,050.00	4,501,196.42	14.96	1,176	1,046	5.758	5.758
<b>Total Investments and Averages</b>	<b>30,091,878.50</b>	<b>30,094,928.50</b>	<b>30,093,074.92</b>	<b>100.00%</b>	<b>191</b>	<b>169</b>	<b>4.741%</b>	<b>4.795%</b>

<b>Total Earnings</b>	<b>December 31 Month Ending</b>	<b>Fiscal Year To Date</b>
Current Year	119,550.49	751,020.42
<b>Average Daily Balance</b>	<b>27,153,877.83</b>	
<b>Effective Rate of Return</b>	<b>5.18%</b>	

Marcella Maxine Cadwallader 1-22-99

Marcella Maxine Cadwallader  
Revenue Manager/Deputy Treas.

Date

Based on the approved budget and to the extent the budget is adhered to, liquidity is available for the next three to six months. Union Bank of California is the source of market valuation.

**Portfolio Management**  
**Portfolio Details - Investments**  
**December 31, 1998**

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CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 360	Moody's	Maturity Date	Days To Maturity
Local Agency Investment Funds												
	1000	Local Agency Invest. Fund			13,000,000.00	13,000,000.00	13,000,000.00	5.492	5.417			1
	1001	Local Agency Inv Fund (LPIC)			6,800,000.00	6,800,000.00	6,800,000.00	5.492	5.417			1
	Subtotal and Average		19,880,645.16		19,800,000.00	19,800,000.00	19,800,000.00		5.417			1
Certificates of Deposit - Bank												
	4	Central Sierra Bank		09/15/1998	100,000.00	100,000.00	100,000.00	4.290	4.290		04/15/1999	104
	7	Farmers and Merchants Bank		12/21/1998	1,000,000.00	1,000,000.00	1,000,000.00	4.150	4.150		12/21/1999	354
	2071	Stockton Savings Bank		01/09/1998	100,000.00	100,000.00	100,000.00	5.640	5.640		01/11/1999	10
	Subtotal and Average		1,167,741.94		1,200,000.00	1,200,000.00	1,200,000.00		4.286			305
Passbook/Checking Accounts												
	4003	Bank of America		07/01/1998	655,133.22	655,133.22	655,133.22					1
	4000	Farmers & Merchants			3,936,745.28	3,936,745.28	3,936,745.28	1.120	1.105			1
	Subtotal and Average		1,781,694.24		4,591,878.50	4,591,878.50	4,591,878.50		0.947			1
Federal Agency Issues - Coupon												
3133M4TB9	1	Federal Home Loan Bank (call)		07/09/1998	500,000.00	501,330.00	500,000.00	5.910	5.910		07/09/2001	920
3133M6NQ7	5	Federal Home Loan Bank (call)		12/03/1998	1,000,000.00	996,720.00	1,000,000.00	5.580	5.580		06/03/2002	1,249
3133M45Z2	8013	Federal Home Loan Bank (call)		05/06/1998	1,000,000.00	1,001,560.00	1,000,000.00	6.060	6.060		11/06/2001	1,040
31364GLG2060	6	Fannie Mae callable note		12/15/1998	1,000,000.00	1,000,940.00	1,000,000.00	5.350	5.350		12/17/2001	1,081
31364FL4	8014	Fannie Mae callable note		06/04/1998	1,000,000.00	1,002,500.00	1,001,196.42	6.020	5.964		05/25/2001	875
	Subtotal and Average		4,323,796.49		4,500,000.00	4,503,050.00	4,501,196.42		5.758			1,046
Total Investments and Average			27,153,877.83		30,091,878.50	30,094,928.50	30,093,074.92		4.741			169

Portfolio CITY

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**Portfolio Management**  
**Investment Activity By Type**  
**December 1, 1998 through December 31, 1998**

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CUSIP	Investment #	Issuer	Stated Rate	Transaction Date	Purchases or Deposits	Sales/Maturities or Withdrawals	Balance
<b>Local Agency Investment Funds (Monthly Summary)</b>							
	1001	Local Agency Inv Fund (LPIC)	5.460		3,500,000.00	4,500,000.00	
		<b>Subtotal</b>			<b>3,500,000.00</b>	<b>4,500,000.00</b>	<b>19,800,000.00</b>
<b>Certificates of Deposit - Bank</b>							
	2072	Farmers and Merchants Bank	5.050	12/21/1998	0.00	1,000,000.00	
	7	Farmers and Merchants Bank	4.150	12/21/1998	1,000,000.00	0.00	
		<b>Subtotal</b>			<b>1,000,000.00</b>	<b>1,000,000.00</b>	<b>1,200,000.00</b>
<b>Passbook/Checking Accounts (Monthly Summary)</b>							
	4003	Bank of America			1,742,844.93	1,219,445.02	
	4000	Farmers & Merchants	1.120		10,714,900.13	8,334,442.97	
		<b>Subtotal</b>			<b>12,457,745.06</b>	<b>9,553,887.99</b>	<b>4,591,878.50</b>
<b>Federal Agency Issues - Coupon</b>							
3133M6NQ7	5	Federal Home Loan Bank (call)	5.580	12/03/1998	1,000,000.00	0.00	
3133M2NZ6	8011	Federal Home Loan Bank (call)	6.145	12/22/1998	0.00	500,000.00	
31364GLG2060	6	Fannie Mae callable note	5.350	12/15/1998	1,000,000.00	0.00	
		<b>Subtotal</b>			<b>2,000,000.00</b>	<b>500,000.00</b>	<b>4,501,196.42</b>
		<b>Total</b>			<b>18,957,745.06</b>	<b>15,553,887.99</b>	<b>30,093,074.92</b>

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**Portfolio Management**  
**Investment Activity Summary**  
**December 1997 through December 1998**

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Month End	Year	Number of Securities	Total Invested	Yield to Maturity		Managed Pool Rate	Number of Securities Purchased	Number of Securities Matured / Sold	Average Term	Average Days to Maturity
				360 Equivalent	365 Equivalent					
December	1997	11	19,004,586.78	5.166	5.238	5.715	2	1	122	102
January	1998	10	17,905,056.75	5.228	5.300	5.744	1	2	89	82
February	1998	11	21,046,232.65	5.309	5.382	5.742	1	0	102	92
March	1998	11	20,368,419.55	5.106	5.177	5.720	0	0	105	91
April	1998	11	33,918,084.92	5.407	5.483	5.680	0	0	63	53
May	1998	12	31,872,427.77	5.565	5.643	5.672	1	0	108	92
June	1998	13	31,682,836.07	5.578	5.655	5.673	1	0	142	123
July	1998	14	26,383,809.36	5.579	5.644	5.672	5	0	192	162
August	1998	13	27,624,854.96	5.416	5.480	5.672	0	1	163	133
September	1998	13	27,101,627.55	5.240	5.302	5.652	1	1	166	131
October	1998	12	26,256,791.43	5.298	5.360	5.640	0	1	170	129
November	1998	11	26,689,259.39	5.303	5.367	5.640	0	1	146	108
December	1998	12	30,093,074.92	4.741	4.795	5.492	3	2	191	169
Average		12	26,149,774.01	5.303%	5.371%	5.670	1	1	135	113

**Portfolio Management**  
**Distribution of Investments By Type**  
**December 1997 through December 1998**

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Investment Type	December 1997	January 1998	February 1998	March 1998	April 1998	May 1998	June 1998	July 1998	August 1998	September 1998	October 1998	November 1998	December 1998	Average by Period
Local Agency Investment Funds	72.6	78.4	79.5	74.8	87.2	87.2	84.0	78.8	78.2	74.2	75.4	77.9	65.8	78.0%
Certificates of Deposit - Bank	6.8	7.3	6.2	6.4	3.8	4.1	4.1	4.9	4.7	4.8	4.6	4.5	4.0	5.1%
Certificates of Deposit - S & L														
Passbook/Checking Accounts	10.0	8.7	7.2	11.4	4.6	0.9	0.9	1.1	4.4	8.1	6.7	6.3	15.3	6.6%
Commercial Paper - Interest Bearing														
Repurchase Agreements														
Federal Agency Issues - Coupon	10.5	5.6	7.1	7.4	4.4	7.8	11.1	15.2	12.7	12.9	13.3	11.3	15.0	10.3%
Treasury Securities - Coupon														
Mortgage Backed Securities														
Bankers Acceptances -Amortizing														
Commercial Paper Disc. -Amortizing														
Federal Agency Disc. -Amortizing														
Treasury Discounts -Amortizing														
Miscellaneous Discounts -Amortizing														

**Portfolio Management**  
**Interest Earnings Summary**  
**December 31, 1998**

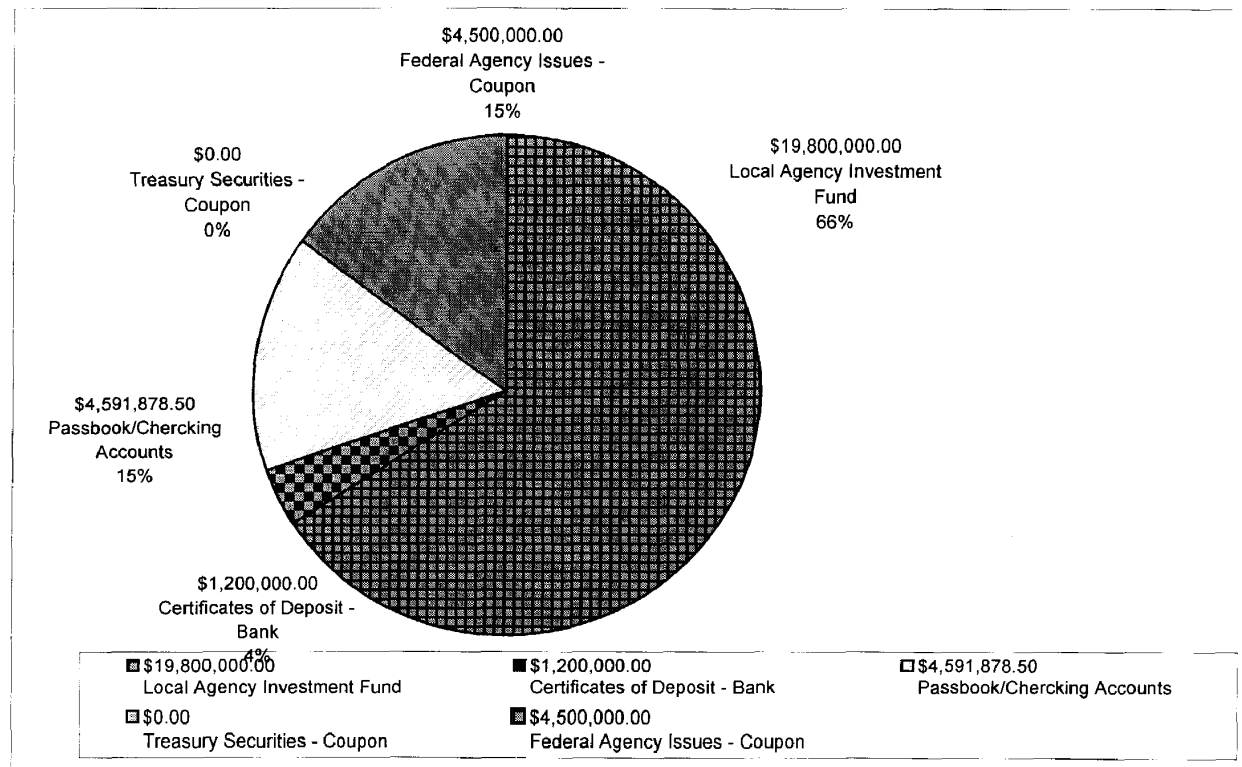
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	December 31 Month Ending	Fiscal Year To Date
<b>CD/Coupon/Discount Investments:</b>		
Interest Collected	27,553.12	148,783.06
Plus Accrued Interest at End of Period	38,098.32	38,098.32
Less Accrued Interest at Beginning of Period	( 39,658.51)	( 43,136.17)
Less Accrued Interest at Purchase During Period	( 0.00)	( 0.00)
Interest Earned during Period	25,992.93	143,745.21
Adjusted by Premiums and Discounts	-41.54	-249.25
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Period	25,951.39	143,495.96
<b>Pass Through Securities:</b>		
Interest Collected	0.00	0.00
Plus Accrued Interest at End of Period	0.00	0.00
Less Accrued Interest at Beginning of Period	( 0.00)	( 0.00)
Less Accrued Interest at Purchase During Period	( 0.00)	( 0.00)
Interest Earned during Period	0.00	0.00
Adjusted by Premiums and Discounts	0.00	0.00
Adjusted by Capital Gains or Losses	0.00	0.00
Earnings during Period	0.00	0.00
<b>Cash/Checking Accounts:</b>		
Interest Collected	1,831.66	720,824.80
Plus Accrued Interest at End of Period	285,335.99	285,335.99
Less Accrued Interest at Beginning of Period	( 193,568.55)	( 398,636.33)
Interest Earned during Period	93,599.10	607,524.46
<b>Total Interest Earned during Period</b>	<b>119,592.03</b>	<b>751,269.67</b>
<b>Total Adjustments from Premiums and Discounts</b>	<b>-41.54</b>	<b>-249.25</b>
<b>Total Capital Gains or Losses</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Earnings during Period</b>	<b>119,550.49</b>	<b>751,020.42</b>

## BREAKDOWN OF TREASURY INVENTORY BY TYPE

December 1998

<u>Type of Security</u>	<u>Amount</u>	<u>Percent of Portfolio</u>	<u>Maximum Maturity</u>
Local Agency Investment Fund	\$19,800,000.00	65.798484%	Indefinite
Certificates of Deposit - Bank	\$1,200,000.00	3.987787%	5 years
Passbook/Chercking Accounts	\$4,591,878.50	15.259528%	Indefinite
Treasury Securities - Coupon	\$0.00	0.000000%	5 years
Federal Agency Issues - Coupon	\$4,500,000.00	14.954201%	5 years
	<u>\$30,091,878.50</u>	<u>100.00%</u>	





# **POOLED MONEY INVESTMENT ACCOUNT**

## **SUMMARY OF INVESTMENT DATA**

### **A COMPARISON OF NOVEMBER 1998 WITH NOVEMBER 1997**

(Dollars in Thousands)

	NOVEMBER 1998	NOVEMBER 1997	CHANGE
Average Daily Portfolio	\$31,560,864	\$27,325,013	+ \$4,235,851
Accrued Earnings	\$142,463	\$128,344	+ \$14,119
Effective Yield	5.492	5.715	- .223
Average Life—Month End (in days)	188	210	- 22
Total Security Transactions			
Amount	\$11,467,765	\$15,217,885	-\$3,750,120
Number	258	346	-88
Total Time Deposit Transactions			
Amount	\$937,200	\$518,200	+ \$419,000
Number	45	28	+17
Average Workday Investment Activity	\$689,165	\$925,652	-\$236,487
Prescribed Demand Account Balances			
For Services	\$271,033	\$145,818	+ \$125,215
For Uncollected Funds	\$163,439	\$151,586	+\$11,853

## **LOCAL AGENCY INVESTMENT FUND\*** **SUMMARY OF ACTIVITY**

### **NOVEMBER 1998**

BEGINNING BALANCE	DEPOSITS	WITHDRAWALS	MONTH END BALANCE
\$13,573,794,028.72	\$1,570,756,000.00	\$1,236,397,424.36	\$13,908,152,604.36

\*Local Agency Investment Fund Invested Through Pooled Money Investment Account

**State of California  
Pooled Money Investment Account  
Market Valuation  
11/30/98**

Description	Carrying Cost Plus		
	Accrued Interest Purch.	Fair Value	Accrued Interest
United States Treasury:			
Bills	\$ 3,107,612,048.35	\$ 3,193,231,370.00	NA
Notes	\$ 4,796,836,623.44	\$ 4,835,912,200.00	\$ 63,108,929.95
Federal Agency:			
Bonds	\$ 2,249,041,648.99	\$ 2,247,453,608.80	\$ 32,982,736.62
Floater	\$ 170,000,000.00	\$ 169,894,300.00	\$ 443,874.00
MBS	\$ 99,437,557.12	\$ 100,752,409.20	\$ 584,707.33
GNMA	\$ 2,045,644.87	\$ 2,301,704.57	\$ 20,218.33
SBA	\$ 264,606,690.77	\$ 265,805,943.01	\$ 2,632,326.55
FHLMC PC	\$ 19,826,253.30	\$ 21,153,734.43	\$ 318,206.98
Discount Notes	\$ 2,699,240,463.28	\$ 2,731,156,324.15	NA
Bankers Acceptances	\$ 65,410,488.10	\$ 65,707,422.58	NA
Corporate:			
Bonds	\$ 829,566,009.92	\$ 830,020,641.44	\$ 12,740,110.18
Floater	\$ 1,024,477,402.69	\$ 1,019,579,492.00	\$ 6,605,451.55
CDs	\$ 5,220,857,169.66	\$ 5,220,352,828.20	\$ 83,643,808.35
Bank Notes	\$ 1,830,980,489.48	\$ 1,830,997,126.35	\$ 28,291,626.39
Repurchase Agreements	NA	NA	NA
Time Deposits	\$ 1,877,390,000.00	\$ 1,877,390,000.00	NA
AB 55 & GF Loans	\$ 2,814,249,860.91	\$ 2,814,249,860.91	NA
Commercial Paper	\$ 5,505,529,903.31	\$ 5,547,234,866.75	NA
Reverse Repurchase	\$ (648,014,000.00)	\$ (648,014,000.00)	\$ (3,349,928.33)
TOTAL	\$ 31,929,094,254.19	\$ 32,125,179,832.39	\$ 228,022,067.90

Fair Value Including Accrued Interest	\$	32,353,201,900.29
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Repurchase Agreements, Time Deposits, AB 55 & General Fund loans, and Reverse Repurchase agreements are carried at portfolio book value (carrying cost).